

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1401-03  
Bill No.: HCS for HB Nos. 578, 574 & 584  
Subject: Education, Elementary and Secondary  
Type: Original  
Date: March 10, 2015

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Bill Summary: This proposal establishes the Missouri Civics Education Initiative.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
General Revenue	(\$922,290 to \$1,652,290)	(\$594,519 to \$1,324,519)	(\$596,632 to \$1,326,632)
<b>Total Estimated Net Effect on General Revenue</b>	<b>(\$922,290 to \$1,652,290)</b>	<b>(\$594,519 to \$1,324,519)</b>	<b>(\$596,632 to \$1,326,632)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 6 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

☒ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials at the **Department of Elementary and Secondary Education (DESE)** assume costs for implementing the civics test in local school districts and charter schools could have a wide range of impact, depending upon which method of testing is chosen by each school district and charter school.

This proposal requires that the test be similar to the civics portion of the United States Naturalization Test, produced by the United States Citizenship and Immigration Services (USCIS). The assessment the USCIS administers is an oral assessment. Although there are 100 questions, an applicant for naturalization must answer 6 of 10 questions correctly. The test required by this proposal shall consist only of questions from the 100 questions used by the USCIS. The school district shall choose the number of questions for the test.

Should the local school districts and charter schools decide to implement the USCIS test, it could be done with little to no cost. The test could be given orally or paper and pencil. School districts and charter schools could incur costs for grading, proctoring, etc.

**DESE** assumes if it is determined that the state must implement the assessment, the state would have to gain permission to convert the test to an electronic format. The scoring costs will be significant because over half of the test will consist of short open response items. DESE estimates a cost of \$10 per student. Assuming a cohort of 70,000 - testing costs would be approximately \$700,000 per year with an additional \$30,000 per year for administration.

**DESE** assumes this proposal requires students seeking a high school equivalency certificate to also complete this exam. To include a civics test as part of the High School Equivalency (HSE) would require a computer based testing (CBT) version of the test to be available and offered at the same sites that are currently providing the main HSE test. Three options could be considered:

- 1) Provide the civics test via high schools = Costs would be consistent with those taking the USCIS test. However, this option would prove problematic because some HSE test-takers would not be allowed to enter the buildings due to the Safe Schools Act.
- 2) Provide the civics test via testing centers currently offering our vendor's test (HiSET)= Costs would be consistent with the state administering the assessment. (20,000 students x \$10 fee = \$200,000)
- 3) Include the civics test as part of our vendor's test (HiSET) = This option would include automated scoring and Missouri-specific reporting and data extract files. Cost estimates based solely on past experience would be approximately \$2 million.

ASSUMPTION (continued)

**DESE** assumes in addition to the test development cost, testing centers would charge a fee to proctor the test. Current charges are \$7.50 to provide each subtest. This would either be charged to the test-taker or paid with state funds. Approx. 20,000 test-takers x \$7.50 = \$150,000

Civics must be added to Adult Education and Literacy curricula, which currently focuses on federally funded, English Reading, English Language and Math. Developing curricula and training teachers would be minimal. Additional state funding would be required to provide classes to educate students in civics. Approximately 40 hours of class time to teach material x 200 class sites x \$20 per hour = \$160,000.

All solutions would require a rewrite of the current, internal DESE HSE system used to collect, store, and report High School Equivalency records. This will result in OA/ITSD costs. The costs are estimated to be \$412,290 in FY 2016 and \$84,519 in FY 2017 and \$86,632 in FY 2018.

**Oversight** notes this proposal requires the civics test given by the school districts to use the same one hundred questions used by the USCIS. Oversight tried to contact the USCIS about the availability of school districts using their test. Oversight has not received a response about the availability of the test. Oversight assumes that if school could receive a copy of the test there would not be an impact to schools. However, if school districts can not get a copy of the test they would need to use one provided by DESE. Oversight will show in the fiscal note \$0 (USCIS test can be used) or the cost estimate for a statewide assessment provided by DESE.

**Oversight** will show the impact to DESE of providing the test for the High School Equivalency (HSE). Oversight will include the cost of the teaching of the test (\$160,000) as well as the state administering the test (20,000 students times the \$10 state assessment test = \$200,000). Additionally, Oversight will show the \$150,000 proctor fee for the HSE testers.

**Oversight** will not show a fiscal impact to the school districts.

Officials at the **Department of Higher Education** assume there is no fiscal impact from this proposal.

Officials at the **Carondelet Leadership Academy, Metropolitan Community College, Missouri State University, State Technical College, University of Central Missouri** and the **University of Missouri** each assume there is no fiscal impact to their respective organizations from this proposal.

<u>FISCAL IMPACT - State Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
<b>GENERAL REVENUE</b>			
<u>Costs</u> - DESE - computer programming and data collection	(\$412,290)	(\$84,519)	(\$86,632)
<u>Costs</u> - DESE - state administered test	\$0 or (\$730,000)	\$0 or (\$730,000)	\$0 or (\$730,000)
<u>Costs</u> - DESE - HSE Civics			
Teaching of materials	(\$160,000)	(\$160,000)	(\$160,000)
HSE civics test	(\$200,000)	(\$200,000)	(\$200,000)
Proctor fee	<u>(\$150,000)</u>	<u>(\$150,000)</u>	<u>(\$150,000)</u>
<u>Total Costs</u> - DESE HSE	<u>(\$510,000)</u>	<u>(\$510,000)</u>	<u>(\$510,000)</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b>(\$922,290 to <u>\$1,652,290</u>)</b>	<b>(\$594,519 to <u>\$1,324,519</u>)</b>	<b>(\$596,632 to <u>\$1,326,632</u>)</b>
<u>FISCAL IMPACT - Local Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

This bill repeals the provisions requiring every high school student in any public or private school except private trade schools to satisfactorily pass an examination on the provisions and principles of the United States Constitution and the Missouri Constitution and in American history and American institutions in order to receive a certificate of graduation. The bill establishes the Missouri Civics Education Initiative that requires, beginning January 1, 2016, every high school student attending any public, charter, or private school except private trade schools or a student seeking to complete a high school equivalency certificate to, as a condition of high school graduation or its equivalent, take and receive a passing grade on a basic civics test similar to the civics portion of the United States Naturalization test, produced by the United

FISCAL DESCRIPTION (continued)

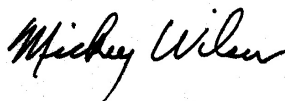
States Citizenship and Immigration Services (USCIS).

The test must use the same 100 questions used by the USCIS that are administered to applicants for United States citizenship. In order to receive a passing score on the test, the student must answer at least 60 of the questions correctly. Any student may take the test as many times as necessary for passage, but must receive a passing score prior to receiving a high school diploma, a certificate of high school graduation, or a high school equivalency certificate. Every public, charter, or private school except private trade schools and the Department of Elementary and Secondary Education must certify that a student has taken and received a passing grade on the test.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Carondelet Leadership Academy  
Department of Elementary and Secondary Education  
Department of Higher Education  
Metropolitan Community College  
Missouri State University  
State Technical College of Missouri  
University of Central Missouri  
University of Missouri



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March 10, 2015

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